



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

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OFFICE OF
ENFORCEMENT AND
COMPLIANCE ASSURANCE

Matthew T. Ponish
National Environmental Compliance Manager
USDA/FSA/CEPD
1400 Independence Ave., SW
Mail Stop 0513
Washington, D.C. 20250

Dear Mr. Ponish:

In accordance with our responsibilities under Section 309 of the Clean Air Act and the National Environmental Policy Act (NEPA), the U.S. Environmental Protection Agency (EPA) has reviewed the U.S. Department of Agriculture, Farm Service Agency's (FSA) draft programmatic environmental impact statement (EIS) for the Biomass Crop Assistance Program.

The Biomass Crop Assistance Program (BCAP) is a new program established under Title IX of the Food, Conservation and Energy Act of 2008. The program is composed of two parts: the Project Areas Program, which supports the establishment and production of biomass crops for conversion to bio-energy in approved project areas and the Collection, Harvest, Storage, and Transportation Matching Payment component. The draft programmatic EIS analyzes the potential environmental impacts of alternatives for administration and implementation of the Project Areas Program component of the BCAP on the nation's environmental resources and economy. Three alternatives were examined: Alternative (1), a targeted implementation of the BCAP, which examines a limited development of new commercial Biomass Conversion Facilities (BCFs) and newly established crops; Alternative (2), an extensive expansion of current biomass programs and new programs to greatly expand participation; and Alternative (3), a no action alternative which provides an environmental baseline. The draft programmatic EIS does not identify a preferred alternative.

EPA supports development of alternative and environmentally sustainable sources of energy such as bio-energy. As such, we concur with FSA's proposed action to establish and administer the Project Areas Program component of BCAP, specifically the establishment and production of eligible biomass crops. Nevertheless, we have some concerns about the proposal as detailed below.

The draft EIS discusses impacts to aquatic resources in terms of water quality, but it does not address how bioenergy crops may impact water quality in basins across the United States. In addition, in areas with expanded acreage of row crops due to BCAP, the increase in irrigation and subsequent crop residue removal may also impact surface water or groundwater supplies and enhance salt accumulation problems from irrigation. The potential for water quality impacts due to erosion and pesticide use during establishment of a biomass crop could have a significant impact on water quality. EPA is also concerned about impacts to water quality and quantity, especially near water bodies listed as not meeting water quality standards for nitrogen or phosphorus, or near groundwater recharge areas where aquifer nitrogen levels are high. With the above in mind, EPA recommends that the final EIS expand the discussion of how bioenergy crops will impact water quality and quantity and the potential direct, indirect and cumulative impacts bioenergy crops will have on these water resources.

The draft EIS states that the primary impact to air quality will be a reduction of green house gas emissions. It appears the draft EIS did not consider other emissions such as nitrous oxide (NO_x) that result from increased fertilizer application to additional biomass crops or, carbon dioxide (CO₂) that result from increased logistical movement related to the production and/or transport of biomass fuels. EPA recommends that the final EIS include the quantification and evaluation of NO_x emissions that result from sequestering impacts associated with conversion between current corn-type crops and second generation crops and CO₂ that results from increased logistical activities related to the production and/or transport of biomass fuels from biomass conversion facilities.

Because the BCAP program has the potential to impact environmental resources and specific locations of project areas and the participants are unknown, EPA recommends that the proposed BCAP include a monitoring component to assess the program's impacts and effectiveness. The final EIS should include a monitoring program and discuss how it will be used as a feedback mechanism for the program and subsequent individual projects.

Agricultural residues are considered the second generation of materials that will be used to develop cellulosic ethanol. These materials are commonly corn stover or other material stalks that are left after the corn crop is harvested. This stover is the material that is currently left in the field as part of the no-till farming program. Corn stover provides organic matter that helps to restore and rebuild the soil. If the corn stover is

used for too long a period, soil conditions will deteriorate and these conditions could lead to lessening in total agricultural production. Accordingly, EPA recommends that efforts be made to move more rapidly to the third generation ethanol production use of perennial crops dedicated for cellulosic ethanol production. Alternatively, EPA recommends that the final programmatic EIS evaluate soil amendments to replace the corn stover in agricultural production.

The statement in the draft EIS reads in part: ...“the potential impacts of the BCAP program to environment justice populations shall be evaluated in a Civil Rights Impact Analysis (CRIA). We are not familiar with the CRIA; therefore, we suggest that the final EIS discuss how the CRIA meets the intent of E.O.12898.

In accordance with EPA's procedures, we have rated the draft programmatic EIS as Environmental Concerns-Insufficient Information (EC-2) which indicates that we have concerns about the Program's impacts on water quality, water quantity and air quality. Additional information on EPA's rating system is enclosed in the “Summary of Rating Definitions.”

We appreciate the opportunity to review this draft programmatic EIS. If you have any questions, please contact me at (202) 564-5400 or Arthur Totten, the staff contact for this project at (202) 564-7164.

Sincerely,

A handwritten signature in cursive script that reads "Susan E. Bromm". The signature is written in dark ink and has a long, sweeping horizontal line extending to the right.

Susan E. Bromm

Director

Office of Federal Activities

Enclosure

Figure 1: EPA's Criteria for Sec. 309 Review of Impact Statements

Rating Environmental Impacts:

LO--Lack of Objections

EC--Environmental Concerns--Impacts identified that should be avoided. Mitigation measures may be required.

EO--Environmental Objections--Significant impacts identified. Corrective measures may require substantial changes to the proposed action or consideration of another alternative, including any that was either previously unaddressed or eliminated from the study, or the no-action alternative).

Reasons can include:

- violation of a federal environmental standard;
- violation of the federal agency's own environmental standard;
- violation of an EPA policy declaration;
- potential for significant environmental degradation; or,
- precedent-setting for future actions that collectively could result in significant environmental impacts.

EU--Environmentally Unsatisfactory--Impacts identified are so severe that the action must not proceed as proposed. If these deficiencies are not corrected in the final EIS, EPA may refer the EIS to CEQ. Reasons, in addition to impacts identified, can include:

- substantial violation of a federal environmental standard;
- severity, duration, or geographical extent of impacts that warrants special attention; or,
- national importance, due to threat to national environmental resources or policies.

Rating Adequacy of the Impact Statement:

1 (Adequate)--No further information is required for review.

2 (Insufficient Information)--Either more information is needed for review, or other alternatives should be evaluated. The identified additional information or analysis should be included in the final EIS.

3 (Inadequate)--Seriously lacking in information or analysis to address potentially significant environmental impacts. The draft EIS does not meet NEPA and/or Section 309 requirements. If not revised or supplemented and provided again as a draft EIS for public comment, EPA may refer the EIS to CEQ.

(See **Selected Publications**, below: EPA's *Policy and Procedures for the Review of Federal Actions Impacting the Environment*.)